Brian H. Polovoy (BP 4723) Karen Hart (KH 5518) SHEARMAN & STERLING LLP 599 Lexington Avenue New York, NY 10022-6069 Telephone: (212) 848-4000

Attorneys Pro Se

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

NETFLIX, INC., a Delaware Corporation,	
Plaintiff, v.) No. C 06 2361 WHA (JCS) (pending in Northern District of California)
BLOCKBUSTER, INC., a Delaware Corporation, Does 1-50,)))
Defendants.))

OBJECTIONS AND RESPONSES OF NON-PARTY SHEARMAN & STERLING LLP

Pursuant to Rule 45 of the Federal Rules of Civil Procedure, non-party Shearman & Sterling LLP ("Shearman & Sterling") hereby objects and responds as follows to Plaintiff's subpoena dated April 4, 2007 (the "Subpoena").

Shearman & Sterling makes this response without in any way waiving or intending to waive, but to the contrary, intending to reserve and reserving:

- (1) all questions as to competency, relevancy, materiality, privilege, and admissibility as evidence for any purpose, at any trial or hearing in this case or in any related or subsequent action or proceeding, if any, of any of the documents produced hereunder or the subject matter thereof;
- (2) the right to object on any ground to the use of documents produced hereunder or the subject matter thereof, at any trial or hearing in this case or in any related or subsequent action or proceeding;
- (3) the right to object on any ground at any time to a demand for further responses or document production; and

(4) the right at any time to revise, supplement, correct, or add to this response.

Shearman & Sterling will limit its production subject to and without waiver of the general and specific objections set forth herein.

GENERAL OBJECTIONS

- 1. Shearman & Sterling objects to the Subpoena to the extent that it seeks information or documents that are protected by the attorney-client privilege or the attorney work product doctrine, that were prepared in anticipation of litigation, that constitute or disclose mental impressions, conclusions, opinions, or legal theories of any attorney of Shearman & Sterling concerning this or any other litigation, that are protected by the privilege of self-critical analyses, any pertinent statutes dealing with privacy rights, or by any other privilege or doctrine. Such documents will not be produced. Shearman & Sterling similarly objects to Subpoena's request for testimony pursuant to Rule 30(b)(6) because Plaintiff's "Matters Upon Which Examination [is] Requested" seek privileged information and communications. Accordingly, Shearman & Sterling cannot produce a Rule 30(b)(6) witness on the matters requested.
- 2. Shearman & Sterling objects to the Subpoena to the extent that it is overbroad, vague, ambiguous, capable of multiple interpretations, and otherwise seeks documents that are not relevant to the claims or defenses in this action or calculated to lead to the discovery of admissible evidence.
- 3. Shearman & Sterling objects to the Subpoena to the extent that it imposes an undue burden and expense on Shearman & Sterling.
- 4. Shearman & Sterling objects to the Subpoena to the extent that it purports to require Shearman & Sterling to produce documents outside its possession, custody or control.

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- 5. Shearman & Sterling objects to the Subpoena to the extent that it calls for the production of documents concerning transactions and events other than those related to this matter, and Shearman & Sterling will not produce such documents.
- 6. Shearman & Sterling objects to the Subpoena to the extent that it purports to impose obligations greater than those imposed by the Federal Rules of Civil Procedure and the Local Rules of the United States District Court for the Southern District of New York.
- 7. Shearman & Sterling objects to the Subpoena to the extent that it calls for the production of documents that are publicly available.
- 8. Shearman & Sterling objects to the Subpoena to the extent that it calls for documents that have already been or are designated to be provided to Plaintiff by any party or subpoenaed non-party in this litigation.
- 9. Shearman & Sterling objects to the Subpoena to the extent that it would require the production of documents or information as to which Shearman & Sterling owes a duty of non-disclosure to a third party.
- 10. Shearman & Sterling objects to the Subpoena to the extent that it seeks documents that contain, reflect, refer or relate to confidential or proprietary information and/or trade secrets.
- 11. Shearman & Sterling objects to the Subpoena to the extent that it requires the production of documents absent the entry of a confidentiality stipulation or order protecting the confidentiality of documents that may be produced. Shearman & Sterling will only produce confidential documents subject to the terms of a mutually agreeable confidentiality stipulation or order.

EXHIBIT 7 PAGE 62

- 12. Shearman & Sterling objects to the Subpoena to the extent that it calls for information that was not generated in the form of written or printed records or that calls for Shearman & Sterling to create or re-create printouts from electronic data compilations, on the ground that such electronic information is not reasonably accessible because of undue burden or cost. Such documents will not be produced.
- 13. Shearman & Sterling expressly reserves any rights to apply for any costs incurred in complying with the Subpoena.
- 14. The specific responses set forth below are based upon information now available to Shearman & Sterling, and Shearman & Sterling reserves the right at any time to amend or supplement these responses and objections.
- 15. Any decision by Shearman & Sterling to provide any documents or information notwithstanding the objectionable nature of any part of the Subpoena should not be construed as a stipulation that the material is discoverable, a waiver of Shearman & Sterling objections, or an agreement that requests for similar discovery will be treated in a similar manner.
- 16. Any response or objection to the Subpoena does not mean necessarily that any documents exist or are in the possession, custody, or control of Shearman & Sterling that are responsive to any specific category of documents demanded by the Subpoena.
- 17. Shearman & Sterling's failure to object to a Request in the Subpoena on a particular ground shall not be construed as any waiver of its right to object on that ground or any additional grounds.
- 18. Any inadvertent production of any document shall not be deemed or construed to constitute a waiver of any rights or privilege and Shearman & Sterling reserves the

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right to demand that the Plaintiff or any other person in possession of such a document, return to it any such document, and all copies thereof, and that the Plaintiff or any other person, destroy any materials that contain information derived from any such document.

19. The objections set forth above are hereby incorporated in each specific response set forth below, as if fully set forth therein, and shall be deemed to be continuing even though not specifically referred to. No such objection is waived by Shearman & Sterling responding to a Request in whole or in part.

OBJECTIONS TO INSTRUCTIONS AND DEFINITIONS

- 1. Shearman & Sterling objects to the Instructions and Definitions in the Subpoena to the extent that they purport to define terms differently that those terms are defined by the Federal Rules of Civil Procedure, the Local Rules of the United States District Court for the Southern District of New York or any other applicable law or rule.
- Shearman & Sterling objects to the definitions of "You," "Your," and 2. "Shearman" on the grounds that they are vague and overbroad. Shearman & Sterling will construe the terms "You," "Your," and "Shearman" to refer to Shearman & Sterling and its partners and employees who records show were involved in matters relevant to this action. Shearman & Sterling objects to the Subpoena to the extent that they purport to seek the production of "all" documents on a particular subject. Shearman & Sterling will respond to the Subpoena based upon a reasonable search of the files of those partners and employees who records show were involved in matters relevant to this action.
- Shearman & Sterling objects to the definitions of "documents," 3. "communication," and "relating" to the extent that each definition is overbroad and unduly burdensome.

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RESPONSES AND OBJECTIONS TO SPECIFIC REQUESTS

Request No. 1:

All documents relating to communications regarding the validity or invalidity of any claim of either of the Patents-in-Suit.

Response to Request No. 1:

Shearman & Sterling objects to this Request to the extent that it seeks documents that are protected by the attorney-client privilege, attorney work product doctrine or any other applicable privilege or doctrine. Shearman & Sterling further objects to this Request on the grounds that is vague, ambiguous, overbroad, unduly burdensome, and otherwise seeks documents that are not relevant to the claims or defenses in this action or calculated to lead to the discovery of admissible evidence. Shearman & Sterling further objects to this Request to the extent that it calls for documents that have already been, or are designated to be provided to Plaintiff by any party or subpoenaed non-party in this litigation. Subject to and without waiver of the foregoing general and specific objections, Shearman & Sterling will produce, at a mutually agreed upon time, non-privileged documents in its possession, custody or control, if any, that are responsive to this Request.

Request No. 2

All documents relating to any study, analysis, review, conclusion or opinion (including opinion of counsel) by either Shearman or any other person, whether written or oral, as to the validity or invalidity of any claim of either of the Patents-in-Suit, or to the research, investigation or preparation of any such document.

Response to Request No. 2:

Shearman & Sterling objects to this Request to the extent that it seeks documents that are protected by the attorney-client privilege, attorney work product doctrine or any other applicable privilege or doctrine. Shearman & Sterling further objects to this Request on the grounds that is vague, ambiguous, overbroad, unduly burdensome, and otherwise seeks

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documents that are not relevant to the claims or defenses in this action or calculated to lead to the discovery of admissible evidence. Shearman & Sterling further objects to this Request to the extent that it calls for documents that have already been, or are designated to be provided to Plaintiff by any party or subpoenaed non-party in this litigation. Subject to and without waiver of the foregoing general and specific objections, Shearman & Sterling will produce at a mutually agreed upon time, non-privileged documents in its possession, custody or control, if any, that are responsive to this Request.

Dated: New York, New York April 18, 2007

SHEARMAN & STERLING LLP

By:

Brian H. Polovoy (BP 4723)

Karen Hart (KH 5518)

599 Lexington Avenue

New York, New York 10022-6069

Telephone: (212) 848-4000

Attorneys Pro Se

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NYDOCS04/474731.1

EXHIBIT 7 PAGE 66

UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA

NETFLIX, INC., a Delaware corporation,

Plaintiff,

v.

Case No. C 06 2361 WHA (JCS)

BLOCKBUSTER INC., a Delaware corporation, DOES 1-50,

Defendant.

OBJECTIONS AND RESPONSES OF NON-PARTY BAKER BOTTS, LLP TO NETFLIX'S NOTICE OF DEPOSITION

Pursuant to Rule 45 of the Federal Rules of Civil Procedure, non-party Baker Botts, LLP ("Baker Botts") hereby objects and responds to Plaintiff and Counter-Defendant Netflix, Inc.'s ("Netflix") Subpoena dated April 3, 2007 ("Subpoena") as follows:

GENERAL OBJECTIONS

- Baker Botts, a non-party to this suit, objects to the time and place of the 1. deposition listed in the subpoena. The subpoena states the deposition will be held on April 24, 2007 at 9:30 a.m. at Figari & Davenport, LLP, 3400 Bank of America Plaza, 901 Main Street, Dallas, Texas. Netflix failed to consult with Baker Botts about a mutually agreeable date and location for the deposition. The witness is out of town on the day set for the deposition.
- Baker Botts objects to the Subpoena to the extent that it seeks information or 2. documents that are protected by the attorney-client privilege or the attorney work product doctrine, that were prepared in anticipation of litigation, that constitute or disclose mental impressions, conclusions, opinions, or legal theories of any attorney of Baker Botts concerning this or any other litigation, that are protected by the privilege of self-critical analyses, any pertinent statutes dealing with privacy rights, or by any other privilege or doctrine. Such documents will not be produced.

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- Baker Botts objects to the Subpoena to the extent that it is overbroad as to subject 3. matter and time frame, vague, ambiguous, capable of multiple interpretations, and otherwise seeks documents that are not relevant to the claims or defenses in this action or calculated to lead to the discovery of admissible evidence.
- Baker Botts objects to the Subpoena to the extent that it imposes an undue burden 4. and expense.
- Baker Botts objects to the Subpoena to the extent that it purports to require Baker 5. Botts to produce documents outside its possession, custody or control.
- Baker Botts objects to the Subpoena to the extent that it purports to impose 6. obligations greater than those imposed by the Federal Rules of Civil Procedure.
- The specific responses set forth below are based upon information now available to Baker Botts, and Baker Botts reserves the right at any time to amend or supplement these responses and objections.
- Any response or objection to the Subpoena does not necessarily mean that any 8. documents exist or are in the possession, custody, or control of Baker Botts that are responsive to any specific category of documents demanded by the Subpoena.
- Baker Botts objects to the definitions of "You," "Your," and "Baker Botts" on the 9. grounds that they are vague and overbroad. Baker Botts will construe the terms "You," "Your," and "Baker Botts" to refer to Baker Botts and its partners and employees who records show were involved in matters relevant to this action.
- The objections set forth above are hereby incorporated in each specific response 10. set forth below, as if fully set forth therein, and shall be deemed to be continuing even though not specifically referred to. No such objection is waived by Baker Botts responding to a Request in whole or in part.

SPECIFIC RESPONSES AND OBJECTIONS TO EXAMINATION TOPICS **Examination Request No. 1:**

All COMMUNICATIONS between BAKER BOTTS and BLOCKBUSTER regarding

the validity or invalidity of any claim of either of the PATENTS-IN-SUIT.

Response to Request No. 1:

Baker Botts objects to this Request to the extent that it seeks information that is protected by the attorney-client privilege, attorney work product doctrine or any other applicable privilege or doctrine. Baker Botts further objects to this Request on the grounds that it is vague, ambiguous, overbroad, unduly burdensome, and otherwise seeks information that is not relevant to the claims or defenses in this action or calculated to lead to the discovery of admissible evidence.

Subject to and without waiver of the foregoing general and specific objections, Baker Botts will answer questions regarding the opinion provided to Blockbuster and communications, if any, with Blockbuster regarding the validity or invalidity of any claim of U.S. Patent No. 6,584,450.

Examination Request No. 2:

All studies, analyses, reviews, conclusions or opinions (including opinion of counsel) by either BAKER BOTTS or any other PERSON, whether written or oral, as to the validity or invalidity of any claim of either of the PATENTS-IN-SUIT.

Response to Request No. 2:

Baker Botts objects to this Request to the extent that it seeks information that is protected by the attorney-client privilege, attorney work product doctrine or any other applicable privilege or doctrine. Baker Botts further objects to this Request on the grounds that it is vague, ambiguous, overbroad, unduly burdensome, and otherwise seeks information that is not relevant to the claims or defenses in this action or calculated to lead to the discovery of admissible evidence.

Subject to and without waiver of the foregoing general and specific objections, Baker Botts will answer questions regarding the opinion provided to Blockbuster and communications, if any, with Blockbuster regarding the validity or invalidity of any claim of U.S. Patent No. 6,584,450.

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Examination Request No. 3:

The efforts undertaken by BAKER BOTTS to preserve, retain, and locate DOCUMENTS responsive to this subpoena.

Response to Request No. 3:

Baker Botts objects to this Request to the extent that it seeks information that is protected by the attorney-client privilege, attorney work product doctrine or any other applicable privilege or doctrine. Baker Botts further objects to this Request on the grounds that it is vague, ambiguous, overbroad, unduly burdensome, and otherwise seeks information that is not relevant to the claims or defenses in this action or calculated to lead to the discovery of admissible evidence.

Examination Request No. 4:

The manner of keeping and authenticity of any DOCUMENTS produced pursuant to this subpoena.

Response to Request No. 4:

Baker Botts objects to this Request to the extent that it seeks information that is protected by the attorney-client privilege, attorney work product doctrine or any other applicable privilege or doctrine. Baker Botts further objects to this Request on the grounds that it is vague, ambiguous, overbroad, unduly burdensome, and otherwise seeks information that is not relevant to the claims or defenses in this action or calculated to lead to the discovery of admissible evidence.

SPECIFIC RESPONSES AND OBJECTIONS TO DOCUMENT REQUESTS

Document Request No. 1:

All DOCUMENTS RELATING TO COMMUNICATIONS regarding the validity or invalidity of any claim of either of the PATENTS-IN-SUIT.

Response to Request No. 1:

Baker Botts objects to this Request to the extent that it seeks documents that are protected by the attorney-client privilege, attorney work product doctrine or any other applicable privilege

or doctrine. Baker Botts further objects to this Request on the grounds that it is vague, ambiguous, overbroad, unduly burdensome, and otherwise seeks documents that are not relevant to the claims or defenses in this action or calculated to lead to the discovery of admissible evidence. Baker Botts also objects to this Request as seeking information already within the possession, custody or control of Netflix and to the extent that such information has already been produced to Netflix.

Subject to and without waiver of the foregoing general and specific objections, Baker Botts will produce documents that evidence communications between Blockbuster and Baker Botts regarding the validity or invalidity of any claim of U.S. Patent No. 6,584,450.

Document Request No. 2:

All DOCUMENTS RELATING TO any study, analysis, review, conclusion or opinion (including opinion of counsel) by either BAKER BOTTS or any other PERSON, whether written or oral, as to the validity or invalidity of any claim of either of the PATENTS-IN-SUIT, or to the research, investigation or preparation of any such DOCUMENT.

Response to Request No. 2:

Baker Botts objects to this Request to the extent that it seeks documents that are protected by the attorney-client privilege, attorney work product doctrine or any other applicable privilege or doctrine. Baker Botts further objects to this Request on the grounds that it is vague, ambiguous, overbroad, unduly burdensome, and otherwise seeks documents that are not relevant to the claims or defenses in this action or calculated to lead to the discovery of admissible evidence. Baker Botts also objects to this Request as seeking information already within the possession, custody or control of Netflix and to the extent that such information has already been produced to Netflix.

Subject to and without waiver of the foregoing general and specific objections, Baker Botts will produce documents that evidence communications between Blockbuster and Baker Botts regarding the validity or invalidity of any claim of U.S. Patent No. 6,584,450.

DATED: April 18, 2007

Michael L. Raiff

State Bar No. 00784803

Daniel J. Kelly

State Bar No. 24041229 VINSON & ELKINS L.L.P.

2001 Ross Avenue, Suite 3700

Dallas, Texas 75201-2975 Telephone: 214.220.7704 Telecopy: 214.999.7704

ATTORNEYS FOR NON-PARTY BAKER BOTTS, LLP

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the above and foregoing has been served by the method identified below this 18th day of April, 2007:

Jeffrey Chanin
Daralyn J. Durie
KEKER & VAN NEST, LLP
710 Sansome Street
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Attorneys for Plaintiff
NETFLIX, INC.

By Fax

Marshall B. Grossman
William J. O'Brien
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1620 26th Street, 4th Floor, North Tower
Santa Monica, CA 90404
Attorneys for Defendant

BLOCKBUSTER INC.

Daniel J. Kelly

Dallas 1242806v1

BINGHAM McCUTCHEN LLP Donn P. Pickett (Bar No. 72257) Adrienne L. Taclas (Bar No. 211232) Three Embarcadero Center San Francisco, CA 94111-4067 Telephone: 415.393.2000 Facsimile: 415.393.2286 BINGHAM McCUTCHEN LLP Mary T. Huser (Bar No. 136051) 1900 University Avenue East Palo Alto, CA 94303-2223	·
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ALSCHULER GROSSMAN LLP Marshall B. Grossman (No. 35958) William J. O'Brien (No. 99526)	ļ
Tony D. Chen (No. 176635)	
The Water Garden	
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Telephone: 310-907-1000	
15	
Attorneys for Defendant and Counterclaimant BLOCKBUSTER INC.	•
UNITED STATES DISTRICT COURT	
8 NORTHERN DISTRICT OF CALIFORNIA	
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NETFLIX, INC., a Delaware corporation, Case No. C 06 2361 WHA (JCS)	
21 Plaintiff, OBJECTIONS AND RESPONSES OF NON-PARTY BLAKELY,)
22 SOKOLOFF, TAYLOR & ZAFMAN, LLP	
DOES 1-50,	
Defendant.	
25 AND RELATED COUNTER ACTION	
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Pursuant to Rule 45 of the Federal Rules of Civil Procedure, non-party Blakely, Sokoloff, Taylor & Zafman, ("Blakely") hereby objects and responds to Plaintiff and Counter-Defendant Netflix, Inc.'s ("Netflix") Amended Subpoena dated April 5, 2007 ("Subpoena") as follows:

GENERAL OBJECTIONS

- Blakely objects to the Subpoena to the extent that it seeks information or 1. documents that are protected by the attorney-client privilege or the attorney work product doctrine, that were prepared in anticipation of litigation, that constitute or disclose mental impressions, conclusions, opinions, or legal theories of any attorney of Blakely concerning this or any other litigation, that are protected by the privilege of self-critical analyses, any pertinent statutes dealing with privacy rights, or by any other privilege or doctrine. Such documents will not be produced.
- Blakely objects to the Subpoena to the extent that it is overbroad as to 2. subject matter and time frame, vague, ambiguous, capable of multiple interpretations, and otherwise seeks documents that are not relevant to the claims or defenses in this action or calculated to lead to the discovery of admissible evidence.
- Blakely objects to the Subpoena to the extent that it imposes an undue 3. burden and expense.
- Blakely objects to the Subpoena to the extent that it purports to require 4. Blakely to produce documents outside its possession, custody or control.
- Blakely objects to the Subpoena to the extent that it purports to impose 5. obligations greater than those imposed by the Federal Rules of Civil Procedure and the Local Rules of the United States District Court for the Northern District of California.
- The specific responses set forth below are based upon information now 6. available to Blakely, and Blakely reserves the right at any time to amend or supplement these responses and objections.
- Any response or objection to the Subpoena does not necessarily mean that 7. any documents exist or are in the possession, custody, or control of Blakely that are responsive to SF/21710143.2/3006338-0000325413

Filed 05/04/2007

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27 28 any specific category of documents demanded by the Subpoena.

- Blakely objects to the definitions of "You," "Your," and "Blakely" on the 8. grounds that they are vague and overbroad. Blakely will construe the terms "You," "Your," and "Blakely" to refer to Blakely and its partners and employees who records show were involved in matters relevant to this action.
- The objections set forth above are hereby incorporated in each specific 9. response set forth below, as if fully set forth therein, and shall be deemed to be continuing even though not specifically referred to. No such objection is waived by Blakely responding to a Request in whole or in part.

SPECIFIC RESPONSES AND OBJECTIONS TO EXAMINATION TOPICS

Examination Request No. 1:

All COMMUNICATIONS between BLAKELY and BLOCKBUSTER regarding the validity or invalidity of any claim of either of the PATENTS-IN-SUIT.

Response to Request No. 1:

Blakely objects to this Request to the extent that it seeks information that is protected by the attorney-client privilege, attorney work product doctrine or any other applicable privilege or doctrine. Blakely further objects to this Request on the grounds that it is vague, ambiguous, overbroad, unduly burdensome, and otherwise seeks information that is not relevant to the claims or defenses in this action or calculated to lead to the discovery of admissible evidence.

Subject to and without waiver of the foregoing general and specific objections, Blakely will answer questions about the opinion provided to Blockbuster and communications, if any, with Blockbuster regarding the validity or invalidity of any claim of U.S. Patent No. 7,024,381.

Examination Request No. 2:

All studies, analyses, reviews, conclusions or opinions (including opinion of counsel) by either BLAKELY or any other PERSON, whether written or oral, as to the validity SF/21710143.2/3006338-0000325413

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or invalidity of any claim of either of the PATENTS-IN-SUIT.

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Response to Request No. 2:

Blakely objects to this Request to the extent that it seeks information that is protected by the attorney-client privilege, attorney work product doctrine or any other applicable privilege or doctrine. Blakely further objects to this Request on the grounds that it is vague, ambiguous, overbroad, unduly burdensome, and otherwise seeks information that is not relevant to the claims or defenses in this action or calculated to lead to the discovery of admissible evidence.

Subject to and without waiver of the foregoing general and specific objections, Blakely will answer questions about the opinion provided to Blockbuster and communications, if any, with Blockbuster regarding the validity or invalidity of any claim of U.S. Patent No. 7,024,381.

Examination Request No. 3:

The efforts undertaken by BLAKELY to preserve, retain, and locate DOCUMENTS responsive to this subpoena.

Response to Request No. 3:

Blakely objects to this Request to the extent that it seeks information that is protected by the attorney-client privilege, attorney work product doctrine or any other applicable privilege or doctrine. Blakely further objects to this Request on the grounds that it is vague, ambiguous, overbroad, unduly burdensome, and otherwise seeks information that is not relevant to the claims or defenses in this action or calculated to lead to the discovery of admissible evidence.

Examination Request No. 4:

The manner of keeping and authenticity of any DOCUMENTS produced pursuant to this subpoena.

Response to Request No. 4:

Blakely objects to this Request to the extent that it seeks information that is protected by the attorney-client privilege, attorney work product doctrine or any other applicable SF/21710143.2/3006338-0000325413

Filed 05/04/2007

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privilege or doctrine. Blakely further objects to this Request on the grounds that it is vague, ambiguous, overbroad, unduly burdensome, and otherwise seeks information that is not relevant to the claims or defenses in this action or calculated to lead to the discovery of admissible evidence.

SPECIFIC RESPONSES AND OBJECTIONS TO DOCUMENT REQUESTS

Document Request No. 1:

All DOCUMENTS RELATING TO COMMUNICATIONS regarding the validity or invalidity of any claim of either of the PATENTS-IN-SUIT.

Response to Request No. 1:

Blakely objects to this Request to the extent that it seeks documents that are protected by the attorney-client privilege, attorney work product doctrine or any other applicable privilege or doctrine. Blakely further objects to this Request on the grounds that it is vague, ambiguous, overbroad, unduly burdensome, and otherwise seeks documents that arc not relevant to the claims or defenses in this action or calculated to lead to the discovery of admissible evidence. Blakely also objects to this Request as seeking information already within the possession, custody or control of Netflix and to the extent that such information has already been produced to Netflix.

Subject to and without waiver of the foregoing general and specific objections, Blakely will produce documents that evidence communications between Blockbuster and Blakely regarding the validity or invalidity of any claim of U.S. Patent No. 7,024,381.

Document Request No. 2:

All DOCUMENTS RELATING TO any study, analysis, review, conclusion or opinion (including opinion of counsel) by either BLAKELY or any other PERSON, whether written or oral, as to the validity or invalidity of any claim of either of the PATENTS-IN-SUIT, or to the research, investigation or preparation of any such DOCUMENT.

Response to Request No. 2:

Blakely objects to this Request to the extent that it seeks documents that are SF/21710143.2/3006338-0000325413

Blakely regarding the validity or invalidity of any claim of U.S. Patent No. 7,024,381.

DATED: April 18, 2007

Bingham McCutchen LLP

Attorneys for Defendant and Counterclaimant

Blockbuster Inc.

SF/21710143.2/3006338-0000325413

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PROOF OF SERVICE

I am over eighteen years of age, not a party in this action, and employed in San Francisco County, California at Three Embarcadero Center, San Francisco, California 94111-4067. I am readily familiar with the practice of this office for collection and processing of correspondence for mail/fax/hand delivery/next business day delivery, and they are deposited that same day in the ordinary course of business.

On April 18, 2007, I served the attached:

OBJECTIONS AND RESONSES OF NON-PARTY BLAKELY, SOKOLOFF, TAYLOR & ZAFMAN, LLP

- ✓ (BY FAX) by transmitting via facsimile the document(s) listed above to the fax number(s) set forth below on this date before 5:00 p.m.
- (BY MAIL) by causing a true and correct copy of the above to be placed in the United States Mail at San Francisco, California in sealed envelope(s) with postage prepaid, addressed as set forth below. I am readily familiar with this law firm's practice for collection and processing of correspondence for mailing with the United States Postal Service. Correspondence is deposited with the United States Postal Service the same day it is left for collection and processing in the ordinary course of business.
- (EXPRESS MAIL/OVERNIGHT DELIVERY) by causing a true and correct copy of the document(s) listed above to be delivered by FAX MAIL in sealed envelope(s) with all fees prepaid at the address(es) set forth below.
- (PERSONAL SERVICE) by causing a true and correct copy of the above documents to be hand delivered in sealed envelope(s) with all fees fully paid to the person(s) at the address(es) set forth below.

Jeffrey R. Chanin, Esq.
Daralyn J. Durie, Esq.
Eugene M. Paige, Esq.
Kevin T. Reed, Esq.
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San Francisco, CA 94111-1704

Phone: 415.391.5400 Fax: 415.397.7188

EXHIBIT 9 PAGE 79

I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made and that this declaration was executed on April 18, 2007, at San Francisco, California.

Donna M. Gilliland

LAW OFFICES

KEKER & VAN NEST LLP

710 SANSOME STREET SAN FRANCISCO, CA 94111-1704 TELEPHONE (415) 391-5400 FAX (415) 397-7188 WWW.KVN.COM

SUSAN J. HARRIMAN (415) 676-2213 SHARRIMAN@KVN.COM

April 19, 2007

VIA E-MAIL

Michael L. Raiff Vinson & Elkins, LLP 3700 Trammell Crow Center 2001 Ross Avenue Dallas, TX 75201-2974

> Re: Netflix, Inc. v. Blockbuster, Inc.

Dear Mr. Raiff:

I am writing to follow up on your discussions with Gene Paige about the foundational questions pertaining to the Echostar privilege issues. Should we be able to reach agreement with respect to these foundational questions, I propose that we submit them as stipulated facts. On that basis, Judge Spero can use them in determining whether or not to grant or deny a motion for protective order and/or a motion to compel.

Since Baker & Botts and Blakely Sokoloff Taylor & Zafman were opinion counsel, their depositions will go forward. Therefore, the questions below are for lawyers at Alschuler Grossman, LLP and Sherman & Sterling, LLP. The questions should be asked of each of the attorneys in those firms who has recorded billable time on this litigation or who reviewed Netflix's patents at issue in this litigation. The questions are as follows:

- Have you ever expressed any opinion on the validity of either the '450 patent or 1. '381 patent at issue in this case?
 - How often?
 - When?
 - To whom?
 - Was that opinion expressed orally or in writing?
 - If in writing, was the writing preserved?

Michael L. Raiff April 19, 2007 Page 2

- 2. Have you ever mentioned the opinion letter written by Baker & Botts as to the validity of the '450 patent to anyone at Blockbuster?
 - How often?
 - · When?
 - To whom?
 - Was that comment expressed orally or in writing?
 - If in writing, was the writing preserved?
- 3. Have you mentioned the opinion letter written by Blakely Sokoloff Taylor & Zafman as to the validity of the '381 patent to anyone at Blockbuster?
 - How often?
 - When?
 - To whom?
 - Was that comment expressed orally or in writing?
 - If in writing, was the writing preserved?
- 4. Have you ever discussed with anyone at Blockbuster the general subject matter of the validity of the '381 patent?
 - How often?
 - When?
 - To whom?
 - Was that discussion oral or in writing?
 - If in writing, was the writing preserved?
- 5. Have you ever discussed with anyone at Blockbuster the general subject matter of the validity of the '450 patent?
 - How often?
 - When?

Michael L. Raiff April 19, 2007 Page 3

- To whom?
- Was that discussion oral or in writing?
- If in writing, was the writing preserved?
- 6. Have you made any comment to anyone at Blockbuster about the evidence concerning the validity of the '381 patent?
 - How often?
 - When?
 - To whom?
 - Was that comment made orally or in writing?
 - If in writing, was the writing preserved?
- 7. Have you made any comment to anyone at Blockbuster about the evidence concerning the validity of the '450 patent?
 - How often?
 - When?
 - To whom?
 - Was that comment made orally or in writing?
 - If in writing, was the writing preserved?
- 8. Have you had any communications with anyone in your office commenting on conversations with Blockbuster that in any way related to the validity of the '381 patent?
 - How often?
 - When?
 - To whom?
 - Was that communication oral or in writing?
 - If in writing, was the writing preserved?

Michael L. Raiff April 19, 2007 Page 4

- 9. Have you had any communications with anyone in your office commenting on conversations with Blockbuster that in any way related to the validity of the '450 patent?
 - How often?
 - When?
 - To whom?
 - Was that communication oral or in writing?
 - If in writing, was the writing preserved?
- 10. Have you ever discussed the likelihood that either the '450 patent or the '381 patent will be found to be valid?
 - How often?
 - When?
 - To whom?
 - Was that discussion oral or in writing?
 - If in writing, was the writing preserved?

We would like complete answers to these questions and a list of the people to whom the questions were posed. With that, we likely will have a sufficient foundation that will enable us to arrive at stipulated facts and thus avoid the need for depositions. If we cannot reach agreement on these questions or the answers thereto, we will proceed with the depositions.

Thank you for your attention to this matter.

Very truly yours,

SUSAN J. HARRIMAN

A f Domine

SJH:js

BINGHAM McCUTCHEN

Ryan M. Nishimoto

Direct Phone: (213) 680-6782 Direct Fax: (213) 830-8656 ryan.nishimoto@bingham.com

April 18, 2007

Via FedEx and e-mail

Bingham McCutchen LLP

Suite 4400

355 South Grand Avenue

Los Angeles, CA

90071-3106

Kevin T. Reed

Keker & Van Nest, LLP

710 Sansome Street

San Francisco, CA 94111-1704

213.680.6400 213.680.6499 fax Re: Netflix, Inc. v. Blockbuster, Inc., Case No. C 06 2361 WHA

(JCS)

bingham.com

Dear Mr. Reed:

Boston Hartford

London

Los Angeles New York

Orange County San Francisco

> Silicon Valley Tokyo

Walnut Creek Washington

Enclosed please find documents labeled for identification, BLAKELY00001-BLAKELY00100 from the files of Blakely, Sokoloff, Taylor & Zafman LLP and a privilege log. Please feel free to contact me if you have any questions.

Ryan M. Nishimoto

Enclosures

cc:

Marshall B. Grossman (by e-mail)

William J. O'Brien (by e-mail)

Tony D. Chen (by e-mail)

Dominique N. Thomas

Jeffrey R. Chanin (by e-mail)

Daralyn J. Durie (by U.S. mail, without enclosures)

Eugene M. Paige (by e-mail)

Vinson&Elkins

Daniel J. Kelly dkelly@velaw.com Tel 214.220.7975 Fax 214.999.7975

April 27, 2007

Via Federal Express
Eugene M. Paige, Esq.
KEKER & VAN NEST LLP
710 Sansome Street
San Francisco, CA 94111-1704

Re: Netflix, Inc. v. Blockbuster Inc.; Case No. C-06-02361 WHA; In the United States District Court for the Northern District of California

Dear Gene:

In response to the April 3, 2007 Subpoena served on Baker Botts, LLP by Netflix, Inc., I am enclosing documents responsive to the document requests in the Subpoena. Those documents have been Bates-stamped BAKER00000001-00000488, Confidential-Attorneys' Eyes Only. Baker Botts is producing these documents without waiving the general and specific objections listed in its Objections and Responses to Netflix's Notice of Deposition.

Regards,

Daniel J. Kelly

Enclosures 102162:7726 Dallas 1246478v1

c: Michael L. Raiff

Vinson & Elkins LLP Attorneys at Law Austin Beijing Dallas Dubai Houston London Moscow New York Tokyo Washington Trammell Crow Center, 2001 Ross Avenue, Suite 3700
Dallas, Texas 75201-2975 Tel 214,220,7700 Fax 214,220,7716
www.velaw.com

From: Kelly, Dan [mailto:dkelly@velaw.com] Sent: Monday, April 30, 2007 8:06 PM

To: Gene Paige Cc: Green, Vicki

Subject: Netflix v. Blockbuster

Dear Gene,

Following up on our conversation of this afternoon and your letter of this evening, I am attaching an additional document responsive to the document requests in the Subpoena issued to Baker Botts, LLP. The document has been Bates-stamped BAKER00000489-582. Baker Botts is producing this document without waiving the general and specific objections listed in its Objections and Responses to Netflix's Notice of Deposition. Please confirm that you have received this email and the attachment. I will be sending you the privilege log for the documents withheld by Baker Botts in a separate email.

Regards,

Dan

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Hearing Transcript 4/16/2007 11:00:00 AM

Filed 05/04/2007

Pages 1 - 25	1	MS. TACLAS: T-a-c-l-a-s.
United States District Court	2	THE COURT: All right, Okay. Welcome to both of
Northern District of California	3	you.
Before The Honorable William Alsup Netflix, Incorporated,)	4	Everybody have a seat for a minute.
)	5	We are here on a discovery dispute involving the
Plaintiff,)	_	• •
)	6	issue of the extent to which Netflix can get various items.
vs.) No. C06-2361 WHA	7	Now, Judge Spero is back, so this case having been
)	8	previously referred to him for discovery, I'm not going to
Blockbuster, Incorporated,)	9	actually rule on this, I'm going to let you go talk to him, but
) Defeadant	10	I do have some questions.
Defendant.)	11	Since I spent some time on getting ready for this
San Francisco, California	12	hearing, I am going to give you the benefit of my thinking
Monday, April 16, 2007	13	because I have thought a lot about this very problem.
Reporter's Transcript Of Proceedings		,,
Appearances:	14	First, I have this question, in the Guidelines I say
For Plaintiff: Keker & Van Nest	15	that the experts have got to save their drafts. Now, sometimes
710 Sansome Street	16	the lawyers sneak around and stipulate around me on that;
San Francisco, California 94111	17	that's okay if both sides do, but the what's the situation
By: Daralyn J. Durie, Esquire	18	here?
Eugene M. Paige, Esquire For Defendant: Bingham McCutchen	19	
Three Embarcadero Center		MS. DURIE: We have reached such a stipulation, Your
San Francisco, California 94111	20	Honor, that we will not be demanding the exchange of drafts of
By: Donn P. Pickett, Esquire	21	expert opinions.
Adrienne L. Taclas, Esquire	22	THE COURT: All right. Okay, then, have a seat.
Reported By: Sahar McVickar, RPR, CSR No. 12963	23	Now, I'm going to tell why I think that puts us in
Official Reporter, U.S. District Court	24	an awkward position, because here you are trying to get all
For the Northern District of California		
(Computerized Transcription By Eclipse)	25	this information about whether or not there was an attempt to

Monday, April 16, 2007 11:00 a.m. manipulate the opinion of counsel, but the -- you agreed the PROCEEDINGS drafts can be destroyed. Now, maybe the drafts you are talking THE COURT: Do you mind if we take the other matter about were the drafts of the retained experts and not the out of turn? attorney experts, but maybe it's not so clear who's who. THE CLERK: Okay. 5 MS. DURIE: Your Honor, I think it is quite clear THE COURT: I got Judge Spero here, and from the stipulation that we were discussing drafts of experts unfortunately he takes priority over you. who would be providing expert opinion testimony at trial and THE CLERK: Let me tell Ms. Thys. 8 designated as experts, not attorneys who would be providing THE COURT: They are not here? THE CLERK: No. 10 THE COURT: Well, but those attorneys wind up Calling civil action C06-2361, Netflix versus 11 testifying and --Blockbuster 12 MS. DURIE: Well --THE COURT: I'm not going to rule on it now, I'm Counsel, please state your appearances for the 13 just saying I see it as an issue, and later on we'll have to MS. DURIE: Good morning, Your Honor. 15 see when the chips fall on that. This is an issue. Daralyn Durie and Gene Paige from Keker & Van Nest 16 MS. DURIE: I understand. And let me say it, the for Netflix stipulation, we have reached an agreement in principle, it THE COURT: Welcome back. 18 hasn't been finalized. And I actually just last week said we MR. PICKETT: Good morning. Donn Pickett and 19 should include in the stipulation language to make that 20 Adrienne Taclas from Bingham McCutchen appearing for the first 20 explicit. It is explicitly contemplated that we are not time. 21 talking about attorneys retained to provide opinions, but only THE COURT: Welcome to the case. 22 those experts who will testify as experts under Rule 26 at Your name? 23 MS. TACLAS: Adrienne. THE COURT: Well, you are telling me you don't have 24

a done deal yet, I don't know whether you can back out of a

THE COURT: How do you spell that last name?

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Hearing Transcript 4/16/2007 11:00:00 AM

verbal deal or not, but you would not want to be in the discretion if it believes that this Court is a more appropriate 2 position of having any expert in this case having destroyed a 2 forum for the resolution of that dispute. draft absent a stipulation. 3 Why we're here, in essence, was both to tee up a 4 MS. DURIE: Absolutely. And we have not --4 briefing schedule, if you will, on these issues before THE COURT: Because I will tell the jury, I will 5 5 Judge Spero, but also we believe that it's quite clear that 6 turn to the jury and say, Ms. Durie's expert destroyed the 6 this motion should be heard in this court, that there is no 7 drafts. good reason for it to be heard in Texas, and that Blockbuster MS. DURIE: I understand. And we have not destroyed 8 8 should withdraw its motion for protective order. drafts. In fact, the stipulation I think does not call for THE COURT: Well, Mr. Pickett's letter, though, said 10 drafts to be destroyed, but simply agrees that we will not 10 that you, yourself, maybe not you, personally, but Netflix require production of drafts of the actual expert reports. 11 wrote letters to these witnesses saving that you were going to 11 12 THE COURT: All right. I am just warning you both 12 seek relief in the Northern District of Texas. 13 that there is an issue, and try not to get crosswise with that 13 MS_DURIF: Um --14 issue 14 THE COURT: That's what the letter here says. 15 MS. DURIE: Understood. MS. DURIE: I think that is perhaps ambiguous or not 15 THE COURT: Because I can just see the attorneys 16 16 careful phrasing 17 testifying and one side saying, oh, no, they are experts and 17 We did send letters - there are multiple entities the other side saying, oh, no, they are defendants. involved in the motion for protective order that was filed in 18 18 Texas. One is Blockbuster itself, obviously, a party to Okay, have a seat. 19 19 20 MS. DURIE: Thank you. 20 litigation present here.

Court, indicating that we expected them to preserve documents, pending the Court's determination of this issue, and that we

We also sent letters to various of Blockbuster's

counsel, copies of which are attached to our letter to this

were asking them to do so in accordance with existing law.

our complaint of willfully infringing the patent that issued on that day. In our complaint, we accused them of willfully infringing the '450 patent, which had issued some three years prior to the filing of the lawsuit. We later amended our complaint to add an allegation of willfulness with respect to 5 6 THE COURT: All right There could be an issue. The reason I bring this 8 up, there could be an issue over when the opinions were issued relative to the knowledge of the patent. But I have 10 misunderstood, I thought from Mr. Pickett's letter that you had 11 accused him of willfulness on day one. So I am going to just 12 13 let that fall to the side. MS. DURIE: Not with respect to the '381 patent. 14 15 THE COURT: All right. Okay, where does it stand on the Texas motion for 16 17 protective order? 18 MS. DURIE: Where it stands is that Blockbuster did 19 file a motion for a protective order in Texas. It is set -- as 20 we understand it, they have not requested any expedited treatment of that motion, and therefore, it would apparently be 21 22 heard on a regular motion calendar. 23 We are prepared to file a motion to transfer in the

Texas court asking the Texas court to transfer that motion to

this Court, which the Texas court can do in the exercise of its

THE COURT: Next, there is a problem that I see, you

MS. DURIE: Your Honor, we did not accuse them in

file -- the patent issues on day one, and you file suit on day

one accusing them of willfulness; now how can you do that if

they don't even know about the patent?

1 The lawyers are located all over the country. 2 Alsohuler Grossman is in Los Angeles, in the Central District of California; other lawyers, I believe, are both in New York and Texas. We did issue subpoenas out of the various jurisdictions in which those law firms may be found seeking 5 testimony and documents from them, but we never indicated that we intended to litigate any issues arising from those subpoenas 8 anywhere other than here. 9 THE COURT: Well, I saw your letters, I think you summarized them correctly 1Ω 11 Now, Mr. Pickett, let me turn on you for a second. I don't see where you got out of those letters any statement 12 that they wanted to seek relief in the Northern District of 13 Texas 14 15 MR. PICKETT: Nor do I see where in my letter to you where I stated otherwise. 16 17 THE COURT: Look on page 2, where you say apprising them of Netflix's intention to move to compel that they do not 18 19 accede to the discovery demands does not alter these witnesses' 20 rights to seek relief in the Northern District of Texas. 21 MR. PICKETT: Right. It says that Netflix has 22 intention to move to compel, it does not say under which 23 jurisdiction. But in any event, the Federal Rules, 26 and 30 and 45 all allow --24

THE COURT: All right, all right.

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MR. PICKETT: -- the party or a court --MS. DURIE: It is right before section B of the 2 THE COURT: I see. I misread your -opinion. It's -- I'm sorry, Roman numeral III, there is A and MR. PICKETT: -- to --3 THE COURT: I thought you were saying that they had threatened to go to Texas 5 5 6 MR. PICKETT: No, never indicated that, never 7 intended to do so, Your Honor. THE COURT: All right, all right, 8 8 9 Now, here is another procedural point: With respect 9 10 to attorney-client, I think this Court is the one that ought to 10 11 decide that issue. With respect to work product vis-à-vis the 11 counsel, trial counsel in this case, I think this Court is the 12 12 13 one that should decide the issue. 13 14 Now, if there is some Texas or New York counsel that 14 has an independent work product issue that stands alone and 15 15 separate and apart from any attorney-client, I'm not so sure 16 16 17 that we are the place to have that issue resolved 17 18 MS. DURIE: Fair enough, Your Honor. And that is 18 not at issue except in the following sense: We think under 19 19 20 EchoStar, it's clear that we are entitled to all communications 20 21 with all counsel, including trial counsel, on the subject 21

B, and it's at the very end of Roman numeral III, section A. THE COURT: Okay, "Thus, when" --MS. DURIE: Correct. THE COURT: Continue on. MS. DURIE: So it says, "Thus, when Ecostar chose to rely on" --THE COURT: Not so fast. The court reporter will never get it. MS. DURIE: Sorry. "Thus, when Ecostar chose to rely on the advice of in-house counsel, it waived the attorney-client privilege with regard to any attorney-client communications relating to the same subject matter, including communications with counsel other than in-house counsel, which would include communications with Merchant and Gould." Now, the case that the Federal Circuit then cites Akeya versus Mizuno Corporation, from the Middle District of North Carolina. In the Akeya case, the Court was explicit and held as follows: "All opinions received by the client relating to infringement must be revealed, even if they come from 22 defendant's trial attorneys." 23 THE COURT: Well, but in that case was the 24 uninfringement opinion from trial counsel?

is a separate basis for them to resist the production of those documents under Ecostar

matter of the opinions, and that would be the attorney-client

To the extent that there is work product tangled up

with those attorney-client communications, we don't think that

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To the extent that there is uncommunicated work product in the possession of the attorneys that was not transmitted to the client, to Blockbuster, that is an issue that we think is open under current law that the Federal Circuit will be considering en banc-

We have not demanded the production of that uncommunicated work product as of now, and, instead, all we did is ask the various lawyers in question to preserve and not to discard those documents in the event that at a later date the Court rules that we are entitled to that uncommunicated work 13 product.

14 THE COURT: All right.

15 Help me understand the Ecostar case, which I read this morning. Where in there does it address trial counsel as 16 17 opposed to the opinion counsel?

18 MS. DURIE: Right. So -- unfortunately, the copy 19 that I have is somewhat unhelpfully printed off-line, and so I 20 can't refer Your Honor readily to the page number in the printed version of the opinion. But the Court states, and I 21 would be happy to hand this up, "When Ecostar chose to rely on 22

23 the advice of" --24 THE COURT: Wait. Tell me how the paragraph starts, and I'll find the paragraph.

MS. DURIE: I believe, Your Honor, that it was not. And I don't have a copy of the Akeya case with me. I have a copy of another case that cites to it and quotes that language.

Other courts following EchoStar, other district courts, have interpreted the EchoStar opinion to extend the waiver of the privilege to trial counsel, even in situations where trial counsel were not also opinion counsel. I'm looking at one case from the Middle District of Illinois that so holds, 9 but, certainly, there are others.

Your Honor said that you didn't want to get into the subject matter of this dispute, and I do think it's appropriate to argue the actual scope of the waiver in a proceeding in front of Judge Spero, but suffice it to say that we think it's quite clear that the current state of the law under EchoStar is that the scope of the waiver does extend to trial counsel.

16 That is one of the questions that is currently pending en banc before the Federal Circuit, which wouldn't be 17 18 the case if that were not the --

19 THE COURT: Well, the -- I can't -- I don't agree 20 with that. The -- I think the reasons the Seagate case is there is taking en banc is because some judge looked at 21 EchoStar and construed it just the way you did, and the Federal 23 Circuit says, wait a minute, are we really going that far, and they think it's important enough to have that heard and decided 24

en banc

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Filed 05/04/2007

13 Now, maybe they will go that far, but maybe not. 1 should not come in because you are going to have to It's a big step whenever you start trying to depose the trial 2 cross-examine, and the jury will be unduly influenced by the lawyer on the other side. fact that Mr. Grossman is effectively testifying. And you are MS. DURIE: It is a big step, I agree, but I think 4 not going to like that, are you? it's hard to read EchoStar in any principled way and read it 5 MS. DURIE: Well -otherwise when the Court says that it extends to any 6 THE COURT: So you tell me now, is it admissible or 7 attorney-client communication. not? THE COURT: Well, that's putting a lot of weight on 8 MS. DURIE: Let me make an observation, and then I one word. It just says -- it just says, "any attorney-client 9 will unambiguously answer your question. communications relating to the same subject, including 10 My observation is that Blockbuster did not disclose communications with counsel other that in-house"; what they 11 any opinion or anything from Alschuler Grossman that it was conveniently leave out there is trial counsel. 12 relying on the date --So I'm not sure -- you may wind up being right, I'm 13 THE COURT: That would be easy to fix if this not saying you're not, I'm just saying I read EchoStar this 14 discovery is allowed morning saying I just can't believe that the Keker law firm 15 MS_DURIF: Understood would cite this. And they must say trial counsel in here 16 If the Court is going to put me to that choice, I somewhere. So I read it twice looking for trial counsel, and I 17 would rather get the discovery and find out what was never saw it. communicated and live with the consequences of having --18 MS. DURIE: It does not explicitly say trial counsel 19 THE COURT: So you want it to be admissible either because that was not the precise issue that was presented in 20 way? EchoStar, but I think the language and the logic of the opinion 21 MS_DURIE: I don't want it -- to be clear. I don't

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should not be

And second, as I said, a number of district courts following on EchoStar have read it just that way, to extend to

extends to trial counsel. Certainly, they extended it to

people in the EchoStar situation other than the opinion

one group of such other attorneys and not another.

trial counsel. And this is an issue.

counsel. And it's not clear to me why you would extend it to

I do want to make one observation. This is not an issue that should or I think could have caught Blockbuster by surprise. There have been a number of District Court opinions following on EchoStar that have made the point that the waiver of the privilege under EchoStar is this broad. And I think that by choosing to rely on an opinion of counsel, and particularly an opinion of counsel, one which was drafted the day before or signed and dated the day before the exchange of opinions of counsel was due and which actually explicitly cites and relies on information provided by trial counsel by

Alschuler Grossman, I just think --THE COURT: Let me ask you a question, and I'm going to ask you for a clear answer, no waffling. Let's say that you were to get this discovery, and let's say that the Alschuler firm -- no "T" in there, Alschuler firm -- surprises you and gives a -- and says, yes, we have been advising our client from day one that this patent is totally invalid, totally, so then at the trial the witness from the company gets up on the stand and says not only did the outside people tell us this patent was no good, our own in-house people told us it was no good. and our trial counsel right over there has been telling us that this patent is no good; now, I know you, you would say that

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want it to be admissible. And I think that the fact that they

did not rely on and say that they were relying on anything that

had been told to them by Alschuler Grossman is a reason it

THE COURT: Well, the reason is that it's not very clear that they are even entitled to rely on the opinion of trial counsel, and therefore I can understand why they didn't list that. I can't imagine anybody has ever listed the opinion

of trial counsel, unless they had written one beforehand that 6 had gone through the normal thing.

But you are not really answering my question. I'm taking what you are saying is you are okay with it being admitted, and you are not going to object whenever Mr. Pickett

10 stands up and asks all these questions about how Mr. Grossman

11 told him this patent was no good from day one.

12 And so now the jury is going to hear it from 13 multiple sources that this patent is no good, and you are going 14 to be complaining about how you can't cross-examine 15 Mr. Grossman because the jury loves him.

MS. DURIE: Let me put it this way: If the Court's order finding a waiver of the privilege is conditional on our

17 18 agreeing that such testimony be admitted and that the client be 19 allowed to testify about what Mr. Grossman told him and 20 therefore presumably that we be entitled to cross-examine

21 Mr. Grossman at trial, I'll take that deal.

22 THE COURT: So you cagily hedged your answer. MS. DURIE: Well, I'm trying to be as direct as I 23

can. I believe that under existing law we are entitled to this

information. And I think under existing law because they did

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1	not disclose that they were going to be relying on an opinion	1	Now, on the other hand, ordinarily, I would be
2	from Alschuler Grossman, they shouldn't be able to.	2	prejudiced against allowing you to discover what Mr. Grossman
3	THE COURT: We can fix that.	3	says privately to his own client because there are any number
4	MS. DURIE: I understand.	4	of reasons why even though he may think the patent is invalid
5	THE COURT: If this all came out, and it was as good	5	he can say, look, is a jury going to understand this? Is a
6	as it probably is for them, then you are going to wind up	6	jury going to understand the thing with the ribbons and all
7	having that problem.	7	that? And even though I'm telling you that the patent is
8	MS. DURIE: I understand what Your Honor is saying.	8	invalid a jury may not fully understand it. It's technical.
9	I understand that if we get the information you are going to	9	There are any number of reasons that go beyond the
10	fix it, and we are proceeding notwithstanding that.	10	scope of the merits as to why a lawyer might give advice to a
11	THE COURT: All right.	11	client that might be misconstrued as saying, well, the
12	Here is the next thing, let me give you all some	12	patent we're going to lose this case, but we're going to
13	thoughts about the way I would normally do this.	13	lose the invalidity issue.
14	MR. PICKETT: Excuse me, Your Honor, would it be	14	So I'm troubled by that. And I want you to factor
15	appropriate for me to respond?	15	that into your briefing in front of Judge Spero. Certainly,
16	THE COURT: It will not be. Have a seat.	16	things that are just work product, that middle category that
17	MR. PICKETT: Thought I would ask.	. 17	was laid out, to me, if a law firm has been keeping stuff
18	THE COURT: And you have a seat.	18	completely to themselves and work product that they never share
19	MS. DURIE: I will have a seat.	19	with the expert, they never share with the client, that ought
20	THE COURT: I want to tell you about how I feel	20	to be never touched unless there is a huge good reason to do
21	about some of these discovery things.	21	that. So that second category that was in EchoStar I think
22	I think foundational questions should always be	22	ought to be beyond the pale.

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move it along.

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I'm wrong and the Court goes the other way. So the

Now, they ought to keep it and preserve it in case

preservation is fine, but I would be very much surprised if any

The question did you ever get a letter on the 1 subject of X from Mr. Grossman is not privileged, it's not. Now, if you were then going to say, well, what does the letter 3 say, that would be privileged for the people being --5 MR. PICKETT: I understand the distinction. THE COURT: All right, you understand it. So you 6 were entitled to get the answer to that question. It's 8 foundational. How can a judge ever rule on the privilege unless we know -- so you see the point. 9 10 Here is another thing, I can't stand it whenever the

answered. And I was upset to see that your law firm,

Mr. Pickett -- it wasn't you, it was your co-counsel, was down

there instructing people not to answer foundational questions.

outside lawyers manipulate the opinion of counsel, that's why I
asked about the drafts. And as far as i'm concerned, you ought
to be able to have a hey day, if need be, showing that
Mr. Grossman manipulated the outside opinion. Maybe he didn't,
maybe he did it right and -- or some other lawyer. Wasn't
Sherman and Sterling in this case somewhere?

MS. DURIE: Yes.

18 THE COURT: Maybe they did it very cleverly

19 through — I don't know how it was done. If you can't get at

20 the drafts and the E-mails and all that because of your

21 stipulation, maybe you are sunk on this. But I'm just saying

that as a general rule I would allow wide open discovery to
 show that the expert has been influenced by somebody so that

24 it's ridiculous to rely on that opinion because it's been

25 manipulated.

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judge ever ordered that to be produced.

2 I think the depositions ought to be going forward to 3 lay down the foundation. It could be -- I had this happen to me many times in practice, that we fight over nothing. Turns 5 out that when you ask the right questions, there is no letter. There is no letter on the subject. There was no advice on the subject. Because your side was directing not to answer, no one knows whether there is anything worth fighting about. Those 8 foundational points, that -- including privilege logs, ought to 10 be produced. I don't know how Sherman and Sterling fits in here, but if they were giving opinions the same thing applies 11 12 there. 13 These are my thoughts, having read these materials,

because I didn't know until an hour ago that Judge Spero was back from his vacation and I thought I had to do this order.

But now that he is back, I think it's better that he take charge of this.

Now, we are not going to stay this case on account of the Seagate case. You are going to have to find some solution or we go forward, and I just run the risk of getting reversed. I don't think I'll get reversed. I'll make the best decision I can. But I will not let grass grow under our feet.

There is no such thing as a stay, as Ms. Durie knows from

another case. Once you file a lawsuit here, we are going to

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Page 17-20 14 PAGE 92

do you think the Seagate decision will be decided, Mr. Pickett? Our case is set for when. September? 2 MR. PICKETT: They have set the hearing date for MS. DURIE: Yes, Your Honor June 7. There is an extraordinary amount of interest in that THE COURT: You are going to have a trial. 3 MR. PICKETT: I just want to understand, if I could; decision because district courts are split, frankly, not just two ways, but at least three different ways on the subject. there is a difference between staying a case, which we are not seeking, and carving out a privilege issue, which if we were And there are a number of cases backed up waiting for that 6 opinion to come down. A lot of articles and so forth, so a lot forced to produce trial counsel opinions and work product, it would be irreparable injury. of attention. 9 THE COURT: I should say one other thing while I'm THE COURT: That is a good point. 9 MR. PICKETT: That's exactly why Seagate, the 10 on the subject of giving you my advisory opinions. 10 11 If it turns out that you win this issue. district court judge allowed discovery in Seagate. It went up 11 on a petition for mandamus, and Seagate stayed not the case, 12 Mr. Pickett, by that I mean you don't have to produce the 12 13 the Federal Circuit staved not the case, but just that sliver 13 material, then your side will be under an absolute injunction during the trial never to imply to the jury at all, at all, 14 14 of the case having to do with discovery. that the defense counsel have given the client this advice. 15 There is an oral argument set on June 7 in Seagate, 15 And even the way in which the client answers the and that is why Judge White and Magistrate Judge Lloyd stayed 16 that piece of discovery in a case last month that was before 17 question about their good faith could not imply that any such 17 18 thing has occurred, because then that would be opening the door 18 in a most unfair way, you withheld the evidence and then you 19 THE COURT: No, let's be clear. We can stay the 19 want the jury to think the evidence is there. I would never 20 20 actual act of producing it. 21 allow that 21 MR. PICKETT: Yeah. MR. PICKETT: Right. 22 22 THE COURT: But forgetting the foundational material THE COURT: And I would give very strong remedial to find out what we are fighting over is worth getting done. 23 23 instructions to the jury if that were to occur. 24 That's not going to waive anything. 24 25 MR. PICKETT: I think that's among the reasons they MR. PICKETT: I completely agree with that. I think 25

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we are in agreement, actually. 2 THE COURT: When the day comes that we're -- that part of the discovery could be stayed to the last minute, and 3 then we may have to make a last minute decision. But what I'm telling you is we will not stay the trial in September so we can hang around to see how that issue comes out. We will find 6 a way to deal with it. 8 MR. PICKETT: Understood. MS. DURIE: Understood. 10 THE COURT: All right, so what I think you ought to 11 do now -- just a second. 12 I guess it's best just to let me ask you to go down 13 with Judge Spero and work out your own briefing schedule with him. Here we are near the end of the discovery period, and I 14 15 don't know where you are on discovery. I don't know if anybody has in mind asking for a 16 trial continuance, but you will have to have an extremely good 17 18 reason as to ask for a trial continuance. We can't allow the Federal Circuit's calendar to -- or the Ninth Circuit's 19 calendar or anyone else's calendar. The fact that they might 20 21 change the law or -- on some issue of discovery, we have a calendar to run, so we have to go forward and find a way to 22 either work around this problem or for me to make the decision 23

that winds up being the same one that they make.

Maybe it will be decided. Will -- you think -- when

kept trial counsel's opinion, counsel separate --2 THE COURT: But I'm saving that the client itself cannot answer those questions in a way, unless cross-examination opens it up, cannot answer those questions in 4 such a way as to imply that there has been consistent advice 5 from trial counsel. That would be a big no-no. 6 MR PICKETT: No. 8 THE COURT: I've done all the damage I can do today, and now I'm going to turn you over to Judge Spero. 9 Can you continue to meet with them and work out a 10 11 JUDGE SPERO: Sure. Can I use your jury room? 12 THE COURT: You can do that. 13 14 Now let's go back to the Jones Day case. (Proceedings adjourned at 10:50 a.m.) 15 16 17

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Hearing Transcript 4/16/2007 11:00:00 AM

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CERTIFICATE OF REPORTER

I, Sahar McVickar, Official Court Reporter for the

United States Court, Northern District of California, hereby certify that the foregoing proceedings were reported by me, a certified shorthand reporter, and were thereafter transcribed under my direction into typewriting; that the foregoing is a full, complete and true record of said proceedings as bound by me at the time of filing. The validity of the reporter's certification of said transcript may be void upon disassembly and/or removal from the court file.

Sahar McVickar, RPR, CSR No. 12963

April 16, 2007

Blockbuster_Netflix

Unsigned

Page 25
EXHIBIT 14 PAGE 94

LAW OFFICES

KEKER & VAN NEST

710 SANSOME STREET SAN FRANCISCO, CA 94111-1704 TELEPHONE (415) 391-5400 FAX (415) 397-7188 www.kvn.com

DOROTHY R. McLAUGHLIN DMCLAUGHLIN@KVN.COM

April 9, 2007

VIA PDF & U.S. MAIL

Barton E. Showalter 2001 Ross Avenue Dallas, Texas 75201-2980

Re: Dear Mr. Showalter:

Netflix v. Blockbuster, Inc., Case No. C-06-2361 WHA

Keker and Van Nest serves as counsel for Netflix. I write with regard to the subpoena that was served on you last Wednesday in the above-mentioned case.

Netflix sued Blockbuster in April 2006 for infringement of two of Netflix's patents: U.S. Patent No. 6,584,450 (the "'450 Patent") and U.S. Patent No. 7,024,381 (the "'381 Patent") (collectively "the patents in suit"). Netflix alleges, among other things, that Blockbuster has infringed and is infringing these patents willfully.

As a defense to Netflix's charge of willfulness, Blockbuster seeks to rely upon—and has produced to us-opinions of counsel regarding the '450 and '381 patents. Blockbuster has thus waived the attorney-client privilege and, to some extent, the work product protection that previously shielded from discovery documents related to these opinions. See In re Echostar Commc'ns. Corp., 448 F.3d 1294, 1304 (Fed. Cir. 2006). Specifically, the Federal Circuit noted in Echostar that three categories of documents are relevant to waiver related to an advice-ofcounsel defense:

- 1. documents that embody a communication between the attorney and client concerning the subject matter of the case, such as a traditional opinion letter;
- 2. documents analyzing the law, facts, trial strategy, and so forth that reflect the attorney's mental impressions but were not given to the client; and
- 3. documents that discuss a communication between attorney and client concerning the subject matter of the case but are not themselves communications to or from the client.

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Bart E. Showalter April 9, 2007 Page 2

See id. at 1302 (citation omitted). The Federal Circuit held that upon assertion of the advice-of-counsel defense the attorney-client privilege and work product immunity are waived with regard to categories one and three above. *Id.* at 1304.

The state of the law with regard to the scope of the waiver articulated in *Echostar* may change, given the Federal Circuit's decision to rehear en banc *In re Seagate Technology, LLC*. Misc. No. 830, 2007 WL 196403, at *1 (Fed. Cir. Jan. 26, 2007). The en banc ruling may either widen or narrow the scope of Blockbuster's waivers. The Federal Circuit's decision in *Echostar*, however, establishes the current state of the law and remains binding unless and until it is overturned by the Federal Circuit en banc. *Fed. Nat.'l Mortgage Ass'n. v. United States*, 469 F.3d 968, 972 (Fed. Cir. 2006) ("A panel of this court is bound by prior precedential decisions unless and until overturned *en banc*.") (quotation marks and citation omitted).

We intend to enforce the law as it currently exists and are therefore expecting production of documents described in categories one and three above. Additionally, we ask that you please preserve all documents described in category two because that information may become discoverable before this case is over.

Our deadline to file a motion to compel is April 19, 2007. We would like to avoid unnecessary motion practice regarding these documents. Please let me know in writing by Friday, April 13 whether you will produce the documents that you are required to produce to Netflix under *Echostar*, as discussed above. Feel free to contact me with any questions at 415-391-5400.

Sincerely,

prothy B. McLaughlin

DRM

LAW OFFICES

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710 SANSOME STREET SAN FRANCISCO, CA 94[11-1704 TELEPHONE (415) 391-5400 FAX (418) 397-7188 WWW.KVN.COM

DOROTHY R. MCLAUGHLIN DMCLAUGHLINGKVN.COM

April 9, 2007

VIA PDF & U.S. MAIL

Edwin H. Taylor Blakely Sokoloff Taylor & Zafman LLP 1279 Oakmead Parkway Sunnyvale, California 94085-4040

Re: Netflix v. Blockbuster, Inc., Case No. C-06-2361 WHA

Dear Mr. Taylor:

Keker and Van Nest serves as counsel for Netflix. I write with regard to the subpoena that was served on you last Wednesday in the above-mentioned case.

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- 1. documents that embody a communication between the attorney and client concerning the subject matter of the case, such as a traditional opinion letter;
- 2. documents analyzing the law, facts, trial strategy, and so forth that reflect the attorney's mental impressions but were not given to the client; and
- documents that discuss a communication between attorney and client concerning the subject matter of the case but are not themselves communications to or from the client.

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Edwin H. Taylor April 9, 2007 Page 2

See id. at 1302 (citation omitted). The Federal Circuit held that upon assertion of the advice-of-counsel defense the attorney-client privilege and work product immunity are waived with regard to categories one and three above. *Id.* at 1304.

The state of the law with regard to the scope of the waiver articulated in *Echostar* may change, given the Federal Circuit's decision to rehear en banc *In re Seagate Technology, LLC*. Misc. No. 830, 2007 WL 196403, at *1 (Fed. Cir. Jan. 26, 2007). The en banc ruling may either widen or narrow the scope of Blockbuster's waivers. The Federal Circuit's decision in *Echostar*, however, establishes the current state of the law and remains binding unless and until it is overturned by the Federal Circuit en banc. *Fed. Nat.'l Mortgage Ass'n. v. United States*, 469 F.3d 968, 972 (Fed. Cir. 2006) ("A panel of this court is bound by prior precedential decisions unless and until overturned *en banc*.") (quotation marks and citation omitted).

We intend to enforce the law as it currently exists and are therefore expecting production of documents described in categories one and three above. Additionally, we ask that you please preserve all documents described in category two because that information may become discoverable before this case is over.

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Sincerely,

Dorothy R. McLaughlin

DRM

BLAKELY, SOKOLOFF, TAYLOR & ZAFMAN PRIVILEGE LOG

DOC NO.	DATE	AUTHORS	RECIPIENTS	DESCRIPTION	PRIVILEGE
	March 2007	Thomas Webster Ed Tavlor	Thomas Webster Ed Tavlor	Various internal e-mail correspondence & attachments reflecting attorney mental	Work product
		Bill O'Brien	Bill O'Brien	impressions	
			Conny Willesen		
2	n/a	n/a	n/a	Portions of prosecution history with attorney notes reflecting attorney mental impressions	Work product
3	n/a	n/a	n/a	Various prior art, with attorney notes reflecting attorney mental impressions	Work product
4	n/a	n/a	n/a	Markman Order, with attorney notes reflecting attorney mental impressions	Work product
5	n/a	n/a	n/a	Patent-in-suit, with attorney notes reflecting attorney mental impressions	Work product
9	n/a	n/a	n/a	Research/case law, which reflects attorney research concerning opinion letter to client	Work product
7	n/a	n/a	n/a	Attorney notes reflecting attorney mental impressions	Work product
8	n/a	n/a	n/a	Partial draft opinion reflecting attorney mental impressions	Work product

BLAKELY, SOKOLOFF, TAYLOR & ZAFMAN AMENDED PRIVILEGE LOG

PRIVILEGE	WP	WP	WP	WP	WP	WP	WP	WP	WP	WP	WP	AC; WP	WP	WP	WP	WP
DESCRIPTION	Email communication reflecting Blakely attorney mental impressions.	Attachment-Draft opinion letter	Email communication reflecting Blakely attorney mental impressions	Email communication reflecting Blakely attorney mental impressions with attachment	Email communication reflecting Blakely attorney mental impressions	Email communication reflecting Blakely attorney mental impressions with attachment.	Email Chain - Communication reflecting Blakely attorney mental impressions	Email Chain - Communication reflecting Blakely attorney mental impressions	Email Chain - Communication reflecting Blakely attorney mental impressions	Email Chain - Communication reflecting Blakely attorney mental impressions	Email Chain - Communication reflecting Blakely attorney mental impressions	Email communication re patent-in-suit	Portions of prosecution history of patent-in-suit with Blakely attorney notes reflecting Blakely attorney mental impressions.	Various prior art, with Blakely attorney notes reflecting Blakely attorney mental impressions	Markman Order, with Blakely attorney notes reflecting Blakely attorney mental impressions	Patent-in-suit, with Blakely attorney notes reflecting Blakely attorney mental impressions
သ																
RECIPIENT	Ed Taylor	Ed Taylor	Ed Taylor; Conny Willesen	Ed Taylor	Ed Taylor	Ed Taylor	Ed Taylor	Ed Taylor	Ed Taylor	Ed Taylor	Ed Taylor	Ed Taylor				
AUTHOR	Thomas Webster	Thomas Webster	Thomas Webster	Thomas Webster	Thomas Webster	Thomas Webster	Thomas Webster	Thomas Webster	Thomas Webster	Thomas Webster	Thomas Webster	Bill O'Brien	Ed Taylor	Ed Taylor	Ed Taylor	Ed Taylor
DATE	3/27/07	3/27/07	3/27/07	3/11/07	3/10/07	3/9/07	3/4/07	3/4/07	3/4/07	3/3/07	3/3/07	3/3/07	n/a	n/a	n/a	n/a
DOC NO.	1.	2.	e,	4.	.د	9	7.	∞i	.6	.01	=	12.	13.	14.	15.	16.

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	PRIVILEGE	WP	WP
BLAKELY, SOKOLOFF, TAYLOR & ZAFMAN AMENDED PRIVILEGE LOG	DESCRIPTION	Research/case law reflecting Blakely attorney work product	Blakely attorney notes reflecting Blakely attorney mental impressions
Y, SOK(23		
BLAKEL	RECIPIENT CC		
	AUTHOR	Ed Taylor	Ed Taylor
	DATE	n/a	n/a

∞.

DOC NO. 17.

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PRIVILEGE AND REDACTION LOG BAKER BOTTS

PRIVILEGE	AC/WP	WP	WP	WP	WP	AC/WP	AC/WP	AC/WP	AC/WP	AC/WP
DESCRIPTION	Attorney-client email reflecting intellectual property counseling concerning Netflix patent	Internal Baker Botts email and attachment reflecting attorney mental impressions	Uncommunicated work product reflecting attorney mental impressions	Redaction of top part of BAKER00000013, Internal Baker Botts email reflecting attorney mental impressions.	Internal Baker Botts email reflecting attorney mental impressions	Attorney-client email exchange reflecting legal advice unrelated to opinion of counsel rendered	Internal Baker Botts email reflecting attorney mental impressions	Email reflecting attorney mental impressions	Internal Baker Botts email reflecting attorney mental impressions	Internal Baker Botts email reflecting attorney mental impressions
RECIPIENTS	Bart Showalter of Baker Botts	Bart Showalter and Larry Carlson of Baker Botts		Thomas Frame of Baker Botts	Kurt Pankratz and Thomas Frame of Baker Botts	Judy Norris of Blockbuster	Kurt Pankratz of Baker Botts	Bart Showalter of Baker Botts	Kurt Pankratz and David Taylor of Baker Botts	Kurt Pankratz of Baker Botts
AUTHORS	Rich Frank of Blockbuster Inc.	Kurt Pankratz of Baker Botts	Kurt Pankratz of Baker Botts	Kurt Pankratz of Baker Botts	Bart Showalter of Baker Botts	Bart Showalter of Baker Botts	Bart Showalter of Baker Botts	Dolores Skinner, Landon IP	Bart Showalter of Baker Botts	David Taylor of Baker Botts
DATE	6/26/03	7/15/03	July and August 2003	8/19/03	8/29/03	4/6/06	4/6/06	4/28/06	4/28/06	9/6/9
DOC NO.	_	2	3	4	5	9	7	∞	6	10

PAGE 102

D0C	DATE	AUTHORS	RECIPIENTS	DESCRIPTION	PRIVILEGE
NO.					
11	5/10/06	Kurt Pankratz	Bart Showalter of	Kurt Pankratz Bart Showalter of Internal Baker Botts email reflecting attorney AC/WP	η
		of Baker Botts	Baker Botts	mental impressions	
12	2/17/06	Kurt Pankratz	Bart Showalter of	Bart Showalter of Internal Baker Botts email reflecting attorney AC/WP	Ъ
		of Baker Botts	Baker Botts	mental impressions	
13	8/28/06	Bart Showalter	Doug Floyd of	Bart Showalter Doug Floyd of Attorney-client email reflecting legal advice AC/WP	ΤP
		of Baker Botts	Blockbuster	unrelated to opinion of counsel rendered	
14	8/31/06	Bart Showalter	Doug Floyd of	Bart Showalter Doug Floyd of Attorney-client email reflecting legal advice AC/WP	/P
		of Baker Botts	Blockbuster	unrelated to opinion of counsel rendered	
15	undated	Kurt Pankratz	n/a	Portion of internal draft memorandum AC/WP	ΤP
		of Baker Botts		uncommunicated to Blockbuster reflecting attorney	
				mental impressions	
16	undated	Bart Showalter n/a	n/a	Copy of document with hand written attorney notes WP	
		of Baker Botts		reflecting attorney mental impressions	

ALSCHULER GROSSMAN LLP PRIVILEGE LOG

DOC	PARTICIPANTS	DESCRIPTION	PRIVILEGE
1.	AG/BBI	Communications between Alschuler Grossman ("AG") and Blockbuster, Inc. ("BBI") regarding opinions relating to invalidity provided by Baker Botts LLP ("Baker Botts") containing or requesting AG legal advice and/or reflecting AG attorney mental impressions	AC; WP
2.	AG/Baker Botts	Communications between AG and Baker Botts regarding opinions relating to invalidity reflecting AG attorney mental impressions	AC.
3.	AG/BBI	Communications between AG and BBI regarding opinions relating to invalidity provided by Blakely, Sokoloff, Taylor & Zafman, LLP ("Blakely") containing or requesting AG legal advice and/or reflecting attorney mental impressions	AC; WP
4.	AG/Blakley	Communications between AG and Blakely regarding opinions relating to invalidity reflecting AG attorney mental impressions and/or containing BBI confidential information	AC
5.	AG	Internal AG communications regarding opinions of Baker Botts or Blakely related to invalidity reflecting AG attorney mental impressions	WP
9.	AG/BBI	Communications between AG and BBI regarding various litigation defenses in connection with invalidity of the patents-in-suit containing or requesting AG legal advice and/or reflecting AG attorney mental impressions	AC; WP
7.	AG	Various internal AG memoranda, notes, and documents related to litigation defenses in connection with invalidity of the patents-in-suit reflecting AG attorney mental impressions	WP

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ALSCHULER GROSSMAN LLP PRIVILEGE LOG

DOC NO.	PARTICIPANTS	DESCRIPTION	PRIVILEGE
∞.	AG/BBI	Communications between AG and BBI regarding preliminary invalidity contentions containing or requesting AG legal advice and/or reflecting AG attorney mental impressions	AC; WP
9.	AG	Internal AG communications regarding preliminary invalidity contentions reflecting AG attorney mental impressions	WP
10.	AG	Various AG internal memoranda, notes, and documents related to preliminary invalidity contentions reflecting AG attorney mental impressions	WP
11.	AG/BBI	Communications between AG and BBI regarding answers and counterclaims containing or requesting AG legal advice and/or reflecting AG attorney mental impressions	AC; WP
12.	AG	Internal AG communications regarding answer and counterclaims reflecting AG attorney mental impressions	WP
13.	AG	Various internal AG memoranda, notes, and documents related to answer and counterclaims reflecting AG attorney mental impressions	WP
14.	AG/BBI	Communications between AG and BBI regarding briefing on motion to dismiss inequitable conduct and counterclaims containing or requesting AG legal advice and/or reflecting AG attorney mental impressions	AC; WP
15.	AG	Internal AG communications regarding briefing on motion to dismiss inequitable conduct and counterclaims reflecting AG attorney mental impressions	WP

ALSCHULER GROSSMAN LLP PRIVILEGE LOG

PRIVILEGE	·								
PRI	WP	AC; WP	WP	WP	WP	AC; WP	WP	WP	WP
DESCRIPTION	Various AG internal memoranda, notes, and documents related to briefing on motion to dismiss inequitable conduct and counterclaims reflecting AG attorney mental impressions	Communications between AG and BBI regarding prior art search firms containing or requesting AG legal advice and/or reflecting AG attorney mental impressions	Internal AG communications regarding prior art search firms reflecting AG attorney mental impressions.	Communications between AG and prior art search firms reflecting AG attorney mental impressions	Various internal AG memoranda, notes, and documents related to prior art search firms reflecting AG attorney mental impressions	Communications between AG and BBI regarding prior art consultants and investigators containing or requesting AG legal advice and/or reflecting AG attorney mental impressions	Internal AG communications regarding prior art consultants and investigators reflecting AG attorney mental impressions	Communications between AG and prior art consultants and investigators reflecting AG attorney mental impressions	Drafts of various internal AG memoranda and notes related to prior art consultants and investigators reflecting AG attorney mental impressions
PARTICIPANTS	AG	AG/BBI	AG	AG/Prior Art Search Firms	AG	AG/BBI	AG	AG/Prior Art Consultants and Investigators	AG
DOC	16.	17.	18.	19.	20.	21.	22.	23.	24.

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ALSCHULER GROSSMAN LLP PRIVILEGE LOG

DOC NO.	PARTICIPANTS	DESCRIPTION	PRIVILEGE
25.	AG/BBI	Communications between AG and BBI regarding prior art in connection with invalidity of the patents-in-suit containing or requesting AG legal advice and/or reflecting AG attorney mental impressions	AC; WP
26.	AG	Internal AG communications regarding prior art in connection with invalidity of the patents-in-suit reflecting AG attorney mental impressions.	WP
27.	AG	Various internal AG memoranda, notes, and documents related to prior art in connection with invalidity of the patents-in-suit reflecting AG attorney mental impressions	WP
28.	AG	Internal AG communications regarding final invalidity contentions reflecting AG attorney mental impressions	WP
29.	AG/BBI	Communications between AG and BBI regarding depositions of and information about current and former Netflix, Inc. ("Netflix") employees in connection with invalidity of the patents-in-suit containing or requesting AG legal advice and/or reflecting AG attorney mental impressions	AC; WP
30.	AG	Internal AG communications regarding depositions of and information about current and former Netflix employees in connection with invalidity of the patents-in-suit reflecting AG attorney mental impressions	WP
31.	AG	Various internal AG memoranda, notes, and documents related to depositions of and information about current and former Netflix employees in connection with invalidity of the patents-in-suit reflecting AG attorney mental impressions	WP

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ALSCHULER GROSSMAN LLP PRIVILEGE LOG

PRIVILEGE	and AC; WP	wP .	o WP with	and AC; WP ion j	wP ion tal	to WP
DESCRIPTION	Communications between AG and BBI regarding depositions of and information about third parties in connection with invalidity of the patents-in-suit containing or requesting AG legal advice and/or reflecting AG attorney mental impressions	Internal AG communications regarding depositions of and information about third parties in connection with invalidity of the patents-in-suit reflecting AG attorney mental impressions	Various internal AG memoranda, notes, and documents related to depositions of and information about third parties in connection with invalidity of the patents-in-suit reflecting AG attorney mental impressions.	Communications between AG and BBI regarding depositions of and information about current and former BBI employees in connection with invalidity of the patents-in-suit containing or requesting AG legal advice and/or reflecting AG attorney mental impressions	Internal AG communications regarding depositions of and information about current and former BBI employees in connection with invalidity of the patents-in-suit reflecting AG attorney mental impressions	Various internal AG memoranda, notes, and documents related to depositions of and information about current and former BBI employees in connection with invalidity of the patents-in-suit reflecting AG attorney mental impressions
PARTICIPANTS	AG/BBI	AG	AG	AG/BBI	AG	AG
DOC NO.	32.	33.	34.	35.	36.	37.

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ALSCHULER GROSSMAN LLP PRIVILEGE LOG

DOC NO.	PARTICIPANTS	DESCRIPTION	PRIVILEGE
38.	AG/BBI	Communications between AG and BBI regarding discovery requests and responses in connection with invalidity of the patents-in-suit containing or requesting AG legal advice and/or reflecting AG attorney mental impressions	AC; WP
39.	AG	Internal AG communications regarding discovery requests and responses in connection with invalidity of the patents-in-suit reflecting AG attorney mental impressions	WP
40.	AG	Various internal AG memoranda, notes, and documents related to discovery requests and responses in connection with invalidity of the patents-in-suit reflecting AG attorney mental impressions	WP
41.	AG/BBI	Communications between AG and BBI regarding interviews of current and former BBI employees in connection with invalidity of the patents-in-suit containing or requesting AG legal advice and/or reflecting AG attorney mental impressions	AC; WP
42.	AG	Internal AG communications regarding interviews of current and former BBI employees in connection with invalidity of the patents-in-suit reflecting AG attorney mental impressions	WP
43.	AG	Various internal AG memoranda, notes, and documents related to interviews of current and former BBI employees in connection with invalidity of the patents-in-suit reflecting AG attorney mental impressions	WP
44.	AG/BBI	Communications between AG and BBI regarding experts related to invalidity of the patents-in-suit containing or requesting AG legal advice and/or reflecting AG attorney mental impressions	AC; WP

ALSCHULER GROSSMAN LLP PRIVILEGE LOG

DOC	PARTICIPANTS	DESCRIPTION	PRIVILEGE
NO.			-
45.	AG	Internal AG communications regarding experts related to invalidity	WP
		of the patents-in-suit reflecting AG attorney mental impressions	
. 46.	AG	Various internal AG memoranda, notes, and documents regarding	WP
		experts related to invalidity of the patents-in-suit reflecting AG	
		attorney mental impressions	

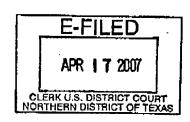
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IN THE UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF TEXAS DALLAS DIVISION



NETFLIX, INC.

Plaintiff,

VS.

BLOCKBUSTER, INC.

Defendant.

NO. 3-07-MC-0036-K

ORDER

Blockbuster, Inc., for itself and three of its current or former employees, has filed a motion for protective in connection with certain deposition notices and subpoenas served by Netflix, Inc.1 At issue are depositions in a patent infringement case pending in California federal court which are scheduled to take place in Dallas, Texas during the weeks of April 9 & 16, 2007. According to Blockbuster, Netflix is using these depositions to invade the attorney-client privilege and force the disclosure of privileged communications. As an example of this improper motive, Blockbuster points to the deposition of one of its in-house attorneys, Bryan Stevenson, taken on April 10, 2007. At that deposition, counsel for Nexflix asked Stevenson: (1) whether Blockbuster retained all of its communications regarding the validity or invalidity of the patents-in-suit; (2) whether Blockbuster received any written documents from its trial counsel regarding the validity or invalidity of the patents-in-suit; and (3) whether Stevenson discussed the validity or invalidity of the patents with trial counsel prior to the deposition. (See Mot., Exh. D). Counsel objected to each question based on the

¹ The Blockbuster employees noticed for depositions are: (1) Edward B. Stead, former Executive Vice-President and General Counsel; (2) Shane Evangelist, current Senior Vice-President, and (3) Richard Allen Frank, former Vice-President. In addition, Netflix has served a Rule 30(b)(6) deposition notice on Blockbuster, who has designated Evangelist and Bryan Stevenson, one of its in-house lawyers, as corporate representatives.

attorney-client privilege and instructed Stevenson not to answer. (Id.). In addition, Netflix has served a subpoena duces tecum on the law firm of Alschuler Grossman, LP, Blockbuster's trial counsel, seeking, interalia, "[a]ll communications between Alschuler and Blockbuster regarding the validity or invalidity of any claim of either of the patents-in-suit." (Id., Exh. B-5).2 Although Blockbuster recognizes that a limited waiver of the privilege has occurred because it asserts an "advice of counsel" defense to Netflix's claim of willful infringement, it contends that Netflix is attempting to turn that limited waiver into a wholesale waiver of the privilege as to communications with trial counsel. By this motion, Blockbuster and its witnesses seek an order relieving them of any duty to answer questions or produce documents that would divulge privileged communications with trial counsel.

The court notes that the issue of a whether a party waives the attorney-client privilege as to communications with trial counsel by relying on an "advice of counsel" defense to willful infringement is currently pending before the Court of Appeals for the Federal Circuit. In re Seagate Technology, LLC, Misc. No. 830, 2007 WL 196403 (Fed. Cir. Jan. 26, 2007). Blockbuster suggests, at a minimum, that the court should stay any discovery on this subject until Seagate Technology is decided. The court is inclined to agree, but is not inclined to prevent Netflix from deposing witnesses on issues that do not require Blockbuster to disclose privileged communications with trial counsel. Should the Federal Circuit ultimately decide that the assertion of an "advice of counsel" defense waives the attorney-client privilege as to communications with trial counsel, Netflix would be permitted to re-depose these witnesses as to such communications.

A similar request appears in the Rule 30(b)(6) deposition notice to Blockbuster made the basis of this motion. (See Mot., Exh. B-4).

However, before any ruling is made on the motion, the court desires briefing from the parties as to whether this discovery dispute should be resolved by the presiding judge in the underlying litigation. While this court clearly has authority to rule on the motion for protective order as to the Rule 45 subpoena served on Richard Allen Frank, which was issued by the clerk of the Northern District of Texas, the same is not necessarily true as to the subpoena served on Edward B. Stead and the deposition notices to Shane Evangelist and Blockbuster--all of which were issued by or under the authority of the United States District Court for the Northern District of California. Although Blockbuster contends that this court has authority to hear this motion pursuant to Fed. R. Civ. P. 26(c) and 30(d)(4), the importance of this threshold jurisdictional issue warrants further briefing by both parties.

With these observations in mind, the attorneys are directed to make one final attempt to resolve this discovery dispute by agreement. The following orders are hereby entered to facilitate the prompt and efficient disposition of this matter:

- 1. Counsel shall meet face-to-face or confer by telephone in an attempt to resolve all matters in dispute. This conference shall be held by April 23, 2007. Any attorney who fails to participate in this conference or negotiate in good faith will be subject to sanctions.
- 2. The parties shall file a joint status report by April 25, 2007. This report must contain the following information: (a) the names of the attorneys who participated in the conference; (b) the date the conference was held and the amount of time the parties conferred; (c) the matters that were resolved by agreement; (d) the specific matters that need to be heard and determined; and (e) a detailed explanation of the reasons why agreement could not be reached as to those matters. As part of their joint status report, the parties shall fully brief the issue of whether this court has jurisdiction to grant a protective order in connection with the depositions of Edward B. Stead, Shane Evangelist

and Blockbuster, and, if so, whether the court should exercise its discretion in favor of having the presiding judge in the underlying lawsuit decide the motion.3 The joint status report must be signed by all participating attorneys. Any attorney who fails to sign the report will be subject to sanctions.

The purpose of a joint status report is to enable the court to determine the respective positions of each party regarding the subject matter of a discovery dispute. To this end, the parties should present their arguments and authorities in the body of the report. Supporting evidence and affidavits may be submitted in a separate appendix. If further briefing is desired before any unresolved matters are set for a hearing, the joint status report must indicate why the party requesting further briefing could not fully present its arguments and authorities in the report. The court, in its discretion, may allow further briefing upon request by any party.

The joint status report must be filed electronically in accordance with Miscellaneous Order 61, the CM/ECF Civil and Administrative Procedures Manual, and the CM/ECF User Guide. A hard copy of the joint status report and any supporting materials shall be hand delivered to the chambers of magistrate judge on the same day.

- 3. The parties shall submit an agreed order in lieu of a joint status report if this discovery dispute is resolved. An agreed order, signed by all counsel of record, must be submitted electronically to Kaplan Orders@txnd.uscourts.gov by April 25, 2007. A hard copy of the signed agreed order must be hand delivered to the chambers of magistrate judge on the same day.
- 4. The court intends to rule on any unresolved issues based on the written submissions of the parties, including the joint status report. See N.D. Tex. LCivR 7.1(g) ("Unless otherwise directed by the presiding judge, oral argument on a motion will not be held."). However, the court,

³ The court is also curious as to whether the Alsohuler firm has filed a motion to quash the Rule 45 subpoena served by Netflix and, if so, the status of that motion.

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in its discretion or upon the request of any party, may schedule oral argument prior to ruling on the motion.

SO ORDERED.

DATED: April 17, 2007.

UNITED STATES MAGISTRATE JUDGE